

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 24-101 as follows:

6 (40 ILCS 5/24-101) (from Ch. 108 1/2, par. 24-101)

7 Sec. 24-101. Deferred compensation program.

8 Notwithstanding any law to the contrary, the State of
9 Illinois or any unit of local government or school district
10 may enter into a written contract with any of its employees
11 to defer a part of their gross compensation and may invest
12 such funds in any such manner as prescribed by the deferred
13 compensation program adopted by it under this Article.
14 Compensation deferred pursuant to a deferred compensation
15 program adopted under this Article shall not exceed the
16 amount of compensation allowed to be deferred without being
17 subject to income tax in the year in which it is earned,
18 pursuant to Section 457 of the United States Internal Revenue
19 Code or laws supplementary or amendatory thereto.

20 It is hereby declared to be in the public interest to
21 provide public employees with a plan for the deferral of
22 compensation and the accrual of income and gain thereon if
23 such deferred compensation be invested, and to encourage the
24 continued service of public employees by making available
25 such benefits to them.

26 (Source: P.A. 82-145.)